

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRUSSE 08141 122011Z

62

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 INR-07 L-03 ACDA-05

NSAE-00 PA-01 SS-15 PRS-01 SP-02 USIA-06 TRSE-00

SAJ-01 NSC-05 COME-00 EB-07 /070 W

----- 083555

R 121717Z SEP 75

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 4928

SECDEF WASHDC

OSAF WASHDC

INFO AMEMBASSY OSLO

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

USMISSION NATO BRUSSELS

USCINCEUR

LIMITED OFFICIAL USE BRUSSELS 08141

E.O. 11652: N/A

TAGS: MASS, BE

SUBJECT: CO-PRODUCTION OF THE F-16

1. SUMMARY: THIS MESSAGE INCLUDES TEXT OF LETTER WRITTEN BY LATE MINISTER OF ECONOMIC AFFAIRS OLEFFE TO AMBASSADOR, DATED AUGUST 1. WE HAVE DISCUSSED SUBSTANCE OF LETTER WITH OFFICIALS IN ECONOMIC AFFAIRS, BUT BELIEVE FORMAL REPLY SHOULD BE MADE, ON WHICH WASHINGTON GUIDANCE NEEDED. LETTER POINTS OUT DIFFICULTIES CONFRONTING BELGIAN FIRMS IN RESPONDING TO HUGHES AND WESTINGHOUSE REQUESTS FOR PROPOSALS ON RADAR COMPONENTS UNTIL GREATER TECHNICAL INFORMATION IS FURNISHED BY THESE TWO U.S. CONTRACTORS. MINISTER SUGGESTS THAT BELGIAN BIDS BE DELAYED UNTIL USAF SELECTS SOURCE FOR F-16 RADAR. EMBASSY IS SYMPATHETIC TO MINISTER'S SUGGESTION AND SEEKS GUIDANCE ON OUR REPLY. END SUMMARY.

2. TEXT OF LETTER. (INFORMAL EMBASSY TRANSLATION FROM FRENCH.)

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRUSSE 08141 122011Z

QUOTE

DEAR MR. AMBASSADOR: I HAVE THE HONOR TO REPEAT TO YOUR EXCELLENCY THE REQUEST WHICH WAS EXPRESSED EARLIER BY MY ADMINISTRATION TO YOUR SERVICES. THIS REQUEST CONSISTED OF OBTAINING FROM THE AUTHORITIES IN WASHINGTON THE APPROVAL FOR THE BELGIAN ELECTRONIC FIRMS TO MAKE A BID FOR THE WORK WHICH WILL BE ENTRUSTED TO THEM IN CONNECTION WITH THE F-16 PROGRAM, AFTER THE CHOICE OF A RADAR HAS BEEN MADE BY YOUR GOVERNMENT. ON JULY 25, 1975, TELEX NO. 846-21420 SENT BY GENERAL DYNAMICS TO SYBELEC LAID UPON THIS BELGIAN CONSORTIUM THE OBLIGATION TO MAKE AN OFFER BEFORE SEPTEMBER 27, 1975, AND BEFORE THE CHOICE OF THE AMERICAN AUTHORITIES. AFTER READING THE REPORT SENT TO ME BY THE BELGIAN ELECTRONIC INDUSTRY IT SEEMS TO ME THAT FOR THE MOMENT THIS IS PRACTICALLY IMPOSSIBLE. THE INFORMATION RECEIVED SEEMS TO BE TOTALLY INSUFFICIENT TO BE USEFUL FOR A PRICE-OFFER OF THIS SCALE FOR TWO REASONS: FIRST OF ALL BECAUSE IMPORTANT INFORMATION WILL NOT BE REVEALED BEFORE A CHOICE OF RADAR HAS BEEN MADE BY YOUR COUNTRY, AND ALSO BECAUSE THE AMERICAN CANDIDATES--HUGHES AIRCRAFT AND WESTINGHOUSE--FEAR THAT POSSIBLE INDISCRETIONS WOULD PUT THEM AT A DISADVANTAGE IN THE COMPETITION BETWEEN THEMSELVES. IN ADDITION, AS WELL AS FOR THE REASONS INDICATED ABOVE, HUGHES AIRCRAFT, ON THE ONE HAND, WOULD DEMAND A BELGIAN TEAM, ACEC EXCLUDED, (EMBASSY NOTE: ACEC IS A WHOLLY-OWNED WESTINGHOUSE SUBSIDIARY.) TO GO AND PREPARE PRICES IN ITS OWN INSTALLATIONS WITHOUT CONTACT WITH THE OUTSIDE AND TO TAKE AS A REFERENCE SIMILAR MATERIAL AND NOT THE RADAR CONCERNED. WESTINGHOUSE, ON THE OTHER HAND, HAS SENT ONLY A FRAGMENTARY DOCUMENTATION WHICH DOES NOT PERMIT A SERIOUS JOB. FURTHERMORE, THE BELGIAN ELECTRONIC INDUSTRY IS NOT IN POSSESSION OF USEFUL INFORMATION CONCERNING THE COMPONENTS AND THEIR ORIGIN, THE TESTING PROCEDURES, THE TOOLS AND OTHER CONTRACTUAL CONDITIONS. IF MY INFORMATION IS CORRECT, IT SEEMS TO ME THAT IT WOULD BE WISER TO WAIT UNTIL THE AMERICAN CHOICE HAS BEEN MADE FIRST AND THAT, ON THE BASIS OF MORE PRECISE INFORMATION, THE BELGIAN FIRMS SHOULD LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BRUSSE 08141 122011Z

MAKE THEIR OFFER AFTERWARDS, WITH FULL KNOWLEDGE OF THE DETAILS. THE OTHER ELEMENTS OF THE F-16 AIRPLANE WERE SELECTED AND COMMITMENTS MADE WITHOUT KNOWLEDGE OF BELGIAN PRICES. IF ONLY BELGIUM MAKES THIS REQUEST THE REASON FOR THIS IS THAT THE BELGIAN ELECTRONIC INDUSTRY IS COMPOSED OF FIRMS WHICH BELONG TO DIFFERENT FOREIGN GROUPS AND THEREFORE THEIR SITUATION IS NOT THE SAME AS IN THE NETHERLANDS WHERE ONE NATIONAL GROUP CONTROLS THIS

OPERATION. IN VIEW OF THE HARMONIOUS DEVELOPMENT OF THE F-16 PROGRAM AND OF A PROFITABLE AND GENUINE COOPERATION BETWEEN OUR COUNTRIES I WOULD BE VERY GRATEFUL TO YOU, MR. AMBASSADOR, IF YOU WOULD SUPPORT THIS REQUEST AND INFORM YOUR AUTHORITIES. RESPECTFULLY YOURS, THE MINISTER. UNQUOTE.

3. SOME OF THE DIFFICULTIES MENTIONED IN OLEFFE LETTER HAVE SINCE BEEN OVERTAKEN BY EVENTS. IN INTERVAL, WESTINGHOUSE HAS PROVIDED INFORMATION WHICH, ACCORDING TO JEAN BOLAND, CHIEF OF SECTION IN MINISTRY DEALING WITH ECONOMIC COMPENSATION, IS ADEQUATE FOR MEMBERS OF SYBELEC TO SUBMIT GENERAL BIDS. ACCORDING TO BOLAND, FURTHER DELAY OF FOUR WEEKS BEYOND DEADLINE OF SEPT. 22 HAS BEEN ACCORDED TO ENABLE BELGIAN COMPANIES TO MAKE SUBMISSIONS. WE UNDERSTAND THAT A BELGIAN INDUSTRY TEAM WILL VISIT BOTH WESTINGHOUSE AND HUGHES IN SEPT. TO EVALUATE BOTH COMPANIES' PROPOSALS AND TO BETTER PREPARE A RESPONSE.

4. ONE ADDITIONAL ARGUMENT NOT MADE IN MINISTER'S LETTER IN FAVOR OF POSTPONING DEFINITIVE BIDS FROM BELGIAN FIRMS UNTIL U.S. SELECTS SOURCE IS THAT PREMATURE BELGIAN BIDS COULD DISTORT COMPETITION BETWEEN HUGHES AND WESTINGHOUSE. UNTIL FULL TECHNICAL DATA IS MADE AVAILABLE TO BELGIAN ELECTRONICS FIRMS, THEIR QUOTATIONS CANNOT BE RELIED UPON, BUT THEIR RESPONSES MIGHT AFFECT THE OUTCOME OF THE COMPETITION.

5. ANOTHER PROBLEM PREVIOUSLY DISCUSSED CONCERNING ACCESS TO BID SPECIFICATIONS BY NON-MEMBERS OF SYBELEC HAS BEEN SATISFACTORILY SET ASIDE, AT LEAST TEMPORARILY. IN THIS INSTANCE, SIEMENS, WHICH IS NOT A MEMBER OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 BRUSSE 08141 122011Z

SYBELEC, HAS BEEN ASSURED OF FULL ACCESS TO NECESSARY DATA.

6. EMBASSY VIEWS THRUST OF ECONOMIC MINISTER'S LETTER AS REASONABLE. HIS CHIEF CONCERN, AS ALWAYS, IS TO BE ASSURED THAT BELGIAN INDUSTRY WILL OBTAIN AS MUCH CO-PRODUCTION AS POSSIBLE WITHIN FRAME-WORK OF MEMORANDUM OF UNDERSTANDING. WE PROPOSE TO REPLY THAT THE MINISTER'S REQUEST WILL BE GRANTED AND THAT BELGIAN FIRMS WILL NOT BE REQUIRED TO SUBMIT BINDING BIDS UNTIL AFTER U.S. SELECTS RADAR SOURCE. WE WOULD ADD THAT WE EXPECT ADEQUATE, TIMELY INFORMATION TO BE AVAILABLE TO BELGIAN ELECTRONICS FIRMS THROUGH THE U.S. PRIME CONTRACTOR AND THE INDUSTRIAL PARTICIPATION SUBCOMMITTEE OF ESPO. WE REQUEST STATE AND DEFENSE CONCURRENCE WITH

THIS APPROACH TO REPLYING TO LETTER. THIS RECOMMENDATION
HAS THE CONCURRENCE OF LOCAL REPRESENTATIVES OF GENERAL
DYNAMICS, HUGHES & WESTINGHOUSE. RENNER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FIGHTER AIRCRAFT, AIRCRAFT COMPONENTS, RADAR EQUIPMENT, PROPOSALS (BID), DIPLOMATIC COMMUNICATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: buchantr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BRUSSE08141
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750317-0882
From: BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750955/aaaabwgi.tel
Line Count: 172
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: buchantr
Review Comment: n/a
Review Content Flags:
Review Date: 21 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 APR 2003 by BoyleJA>; APPROVED <20 OCT 2003 by buchantr>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CO-PRODUCTION OF THE F-16
TAGS: MASS, BE, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006